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American Institute of Certified Public Accountants. Federal Information

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# AICPA *Washington Report*

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December 10, 1973

Volume II, Issue 8

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## COMMERCE, DEPARTMENT OF

Responsibilities for "Standardization of Data Elements and Representations" is being assumed by the Department. In effect, this decision transfers from the OMB the responsibility for the government-wide oversight and administration program for this technology (see 12/5/73 Fed. Reg., p. 33482).

## COST OF LIVING COUNCIL

An Economic Stabilization Program Quarterly Report for the period 4/1/73 - 6/30/73 is now available. Chapter 3 of the Report contains a chronological review of the activities of the Council as well as policies established during that period. Copies are available through the GPO (S/N 4114-00023) at \$1.00 per copy.

A clarification for calculating percentage markups in the case of retailers and wholesalers has been issued. The amendments to Subpart K clarify how a firm calculates its customary percentage markups or gross margins for new categories and new pricing entities and to provide relief for firms who are under their customary initial percentage markup (see 12/5/73 Fed. Reg., p. 33487).

A notice affecting reapplications for loss or low profit relief for Tier I and II firms appears in the 12/5/73 Fed. Reg., p. 33553. The Council intends in the near future to revise the loss or low profit regulations.

Regulations governing petroleum and petroleum products have been issued (see 12/6/73 Fed. Reg., p. 33577). The amendments provide for certain changes in the CLC Phase IV petroleum regulations dealing with the refiners.

## FEDERAL HOME LOAN BANK BOARD

A revised proposal on the conversion regulations in the case of mutual S&Ls to stock form has been issued by the Board. The proposal differs greatly from the one released earlier, and will eliminate "windfall" distributions to account holders. The Board's revision will appear in Monday's (12/10/73) Fed. Reg. in the "proposed regulations" section. Comment period ends 1/31/74.

Amendments to the Board's operations regulations affecting accounting requirements have been issued (see 12/5/73 Fed. Reg., p. 33457). These changes amend the form and content of financial statements with respect to disclosure, and adopt generally the SEC disclosure requirements contained in Regulation S-X.

Jerry R. Barrentine, CPA, has been promoted to Vice-President and Treasurer of the Federal Home Loan Mortgage Corporation. Since joining the Corporation early in 1973, Barrentine had been Assistant Treasurer; he will now be in charge of all financing and accounting on FHLMC's portfolio of some \$3.2 billion in residential mortgages.

#### FEDERAL POWER COMMISSION

Don S. Smith has been confirmed by the Senate as FPC Commissioner. Smith has served as Arkansas Public Service Commissioner and Securities Commissioner. He was formerly Associate Professor of Law at the Emory University School of Law. His term expires 6/22/78.

Lorin H. Drennan, Jr., CPA, has been appointed Chief Accountant in the Office of Accounting and Finance. Drennan has been serving as Acting Chief Accountant since April. Before joining the Commission, Drennan was Deputy Director, Office of Audit, HUD. Prior to that, he worked at GAO.

#### GENERAL ACCOUNTING OFFICE

A supplement to the GAO's yellowbook has been issued. The booklet illustrates audit findings developed during reviews of compliance with applicable laws and regulations, efficiency in using resources, and achievement of program results. Those interested in obtaining additional examples of audit reports on governmental activities may request copies of digests which are condensed versions of GAO audit reports similar to those examples contained in this booklet. For a copy of the supplement or to request being placed on the mailing list for copies of the digests, write: Intergovernmental Audit Standards Group, U. S. General Accounting Office, 441 G Street, N.W., Room 6025, Washington, D.C. 20548.

#### HOUSING AND URBAN DEVELOPMENT

A comparison of the community development programs, as contained in the major housing legislative proposals, has been provided by Rep. Widnall (R-N.J.), a member of the House Banking Committee. It compares the Administration's Better Communities Act with Sen. Sparkman's bill, S. 1744, and the House version (Barrett-Ashley) block grant bill, HR 10036 (see 12/4/73 Cong. Record, p. H 10613).

#### LABOR, DEPARTMENT OF

A public meeting of the National Manpower Advisory Committee was held December 7 in Washington, D.C. The agenda included a discussion of the management information and evaluation systems available and needed under the manpower revenue sharing program.

#### OFFICE OF FEDERAL PROCUREMENT POLICY

A revised version of the bill to create the OFPP (S. 2510) has been approved by the Ad Hoc Subcommittee on Federal Procurement, and it has been forwarded to the full Senate Government Operations Committee for its consideration. It appears likely that such legislation to create a central Office of Federal Procurement Policy will be approved early in the next session of the Congress.

#### OFFICE OF MANAGEMENT AND BUDGET

Budget reform legislation has been approved by the House. The bill significantly reforms the process of handling the multi-billion dollar budget and provides for Congressional review of Presidential impoundments of funds. The Senate is expected to act on its version (S. 1541) early next year. The 12/5/73 Cong. Record contains the major portion of the House floor debate of the budget legislation.

#### RENEGOTIATION BOARD

"Certain business entities" have been alerted that they may be subject to the Renegotiation Act of 1951, as amended. Included are national and state commercial banks and insurance and lessor companies engaged in equipment leasing; and manufacturers' agents and brokers. It appears that many such businesses are unaware of their obligations to file certain reports. Further information concerning this announcement is available from Anthony C. Wayne at the Board's Washington office, 202/254-8226, or on the West Coast, contact H. Ervin Gettman, Chairman, Western Regional Renegotiation Board, 213/688-3106.

#### SECURITIES AND EXCHANGE COMMISSION

A revision of the proposed Rule 13e-2 and a related amendment to Rule 10b-6 has been issued by the Commission (Rel. 34-10539 of 12/6/73). The proposals would place price and volume limits on transactions in which companies repurchase their own shares, and force companies to disclose their stock repurchase plans, detailing the reasons for and the amount of a repurchase. Comments on the proposal will be accepted until 1/15/74.

The Public Reference Room has been moved from the Commission headquarters to 1100 L Street, N.W., Washington, D.C. Visiting hours are from 9:00 a.m. to 4:30 p.m. New telephone number is 202/523-6506.

#### TREASURY, DEPARTMENT OF

A Senate Finance Committee Report (No. 93-554) accompanying HR 8214, a bill providing for the tax treatment of POWs, MIAs, as well as covering certain activities of DISCs, disaster losses, stocks of certain foundations and other matters has been issued. HR 8214, a minor House-passed tax bill is being used as a vehicle for an important addition altering tax deferral DISC provisions relating to export sales. Another amendment would allow private foundations whose assets are largely invested in the stock of a multi-state regulated company to exclude the value of this stock in computing the amount of their required charitable distributions.

Pension reform legislation has neared completion in the House Ways and Means Committee. A final draft is expected to be ready this week. A decision was made last week by the House leaders to


postpone floor action on the pension legislation until the next session. It is expected to be the first matter of business before the House upon its return.

A package of tax bills directed at the petroleum refining industry has been introduced by Sen. Ribicoff (D-Conn.). The bills are an effort to stop subsidizing the oil boycott and to expedite domestic exploration efforts. Reprints of the bills appear along with Mr. Ribicoff's remarks at the 12/3/73 Cong. Record, p. S 21677.

Special rules for reduction of creditable foreign taxes in the case of certain foreign mineral income have been issued (see 11/30/73 Fed. Reg., p. 33073).

#### JUDICIARY

A hearing on the bankruptcy legislation (HR 10792) is scheduled for December 10. Harold Marsh, former Chairman of the Commission on Bankruptcy Laws, will testify. The hearing is scheduled before the House Civil Rights Subcommittee and is a preliminary move to open the record on this legislation. Additional hearings will be scheduled during the next session of Congress.

  
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